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[FROM THE MAIL AND EMPIRE, 3rd April, 1897]

CANADIAN WHEAT.

To the Editor of The Mail and Empire :

SIR,—In February, 1896, I wrote a letter, which you were good enough to publish, continuing the calculations concerning the production and distribution of wheat in Canada, which I commenced in the Statistical Year Book, and afterwards elaborated in an article in the Canadian Magazine (September, 1894), and I now forward you further figures, for which I trust you will be able to find space, bringing my calculations down to the end of September, 1896, being the close of the export year following the crop year of 1895. Without taking up too much room by repeating figures already published, I may say briefly that for the years 1891-1894 inclusive, I had calculated the net quantity of wheat available for distribution at 173,457,983 bushels, from which had to be deducted 45,542,418 bushels for export, 15,852,095 bushels for seed, and 109,810,393 bushels for home consumption, and that while the crop of 1891 exceeded the distribution by 11,024,800 bushels, distribution during the following years exceeded the crop by 8,770,600 bushels, leaving an apparent net excess of crop over distribution of 2,254,200 bushels, but that, in consequence more particularly of the bad condition in which some of the grain was harvested in 1891, this excess only existed on paper, and that at the time of the harvest of 1895 there was practically no wheat in the country. The crop of 1895, however, was the second largest crop in the history of the Dominion, and amounted to 57,348,400 bushels, or, say 51,613,600 bushels available for distribution, which, after deducting 32,189,900 bushels for seed and consumption, left an excess of crop over distribution of 19,423,700 bushels. The net exports during the twelve months ended 30th September, 1896, amounted to 11,438,876 bushels, leaving still in the country 7,984,826 bushels. The crop of 1896 was the smallest since

1889, and did not exceed 38,000,000 bushels, or, say 34,200,000 bushels net, which, added to the previous surplus, gives a total of 42,184,800 bushels for distribution, from which have to be deducted 32,300,000 bushels for consumption and seed, leaving a balance of 9,884,800 bushels available for export. These figures, therefore, indicate that, under existing conditions, the exports for the twelve months ending 30th September, 1897, will be in the neighbourhood of nine million bushels, this quantity being liable to be reduced by a continued fall in prices, which might lead farmers to hold their grain, or increased by a corresponding rise, when other breadstuffs might to a certain extent be substituted for wheat in home consumption, and, if the demand was very active, a larger proportion of the crop of 1897 be sent out of the country during the last quarter of the export year ; but apart from this latter contingency, the amount exported is not likely to be very far from the quantity named, and perhaps will more probably be under than over those figures. It will readily be seen that, with no reserves to fall back upon, two successive harvests like that of 1896 would wipe out any exportable surplus altogether, but there is not at present any likelihood of such an event, for the probabilities are that, given a favourable season, the crop of 1897 will exceed any previously recorded, for not only will the area under wheat in Manitoba and the North-West be larger than ever before, but there has also been a considerable increase in the area under fall wheat in Ontario.

I have now carried these calculations down from 1882, and in view of the extent to which actual conditions have of late years coincided with my estimates, there would seem to be sufficient ground for assuming that the system adopted is fairly correct, and the deductions therefrom tolerably reliable, the most uncertain factor at the present time being the production in the North-West Territories, and it is to be hoped that it will not be long before some attempt is made to collect trustworthy statistics for those districts. It is satisfactory to find events thus establishing the accuracy of one's calculations, and it is also satisfactory to find one's opinions, originally advanced with a certain amount of trepidation, corroborated by those who, from their position, learning, and experience, are entitled to be listened to with deference and respect.

In the Statistical Year Book for 1887, and in several successive issues, I called attention to the fact that wheat would in all probability never again obtain its former prices for any length of time, except under

the influence of untoward circumstances, such as a general war, or failures of harvest ; and in the Canadian Magazine for September, 1894, I said that "the outlook for wheat is most unpromising, and the opinion of the writer, which has remained the same for some years, is that the low price of wheat has come to stay, and that nothing but war, or a succession of bad harvests, can do more than temporarily appreciate it. And such appreciation would probably only result in a still further lowering of prices, for the quantity of land immediately available for wheat is now so great, transportation facilities and rates are so constantly improving and cheapening, and the knowledge of the condition of the market is becoming so universal, that any appreciation in the price would almost invariably result in over-production." I now find my views sustained in a recent number of the "Royal Journal," where Sir John Lawes and Sir Henry Gilbert, undeniable authorities on this question, in a paper on the production of wheat, say :—"It cannot be doubted that there remain throughout the world great inherent capabilities for increased production, which would rapidly be developed with rising prices. Such indeed is the extent of this capability that the encouragement of higher prices would, by increased production and increased export, tend to keep the supply fully up to the demand, and so far to react adversely to any considerable and permanent rise. No doubt under the influence of extensive war, involving powerful nations and large populations, there would be more or less rise in prices for a longer or shorter period. But independently of any such calamity, or other abnormal contingency, such is the extent to which the wheat-producing capabilities of the world have been opened up and show possibilities of development, that it cannot be said that the circumstances indicate much prospect of a substantial and permanent rise."

It has often seemed difficult to understand why so many of those whose opinions on the subject are entitled to the most weight have taken so long to make up their minds as to the cause of the continued low price of wheat, and to become convinced that it has not been due to any appreciation of gold or depreciation of silver, or to any outside circumstance whatever, but has been governed by the ordinary rules of supply and demand, and that the opening up of new fields of supply, and the bringing of them nearer to the markets of demand by increased transportation facilities, have resulted in so definitely lowering the price that only the contingencies above referred to can now materially affect

it, and that under no circumstances is any appreciation likely to be permanent, or of any prolonged duration. Because the chances, however, of wheat returning, if only temporarily, to its former values are apparently remote and at any rate uncertain, the possibility of the necessary contingencies arising to bring about such a return must not be overlooked, any more than must the existence in the North West of the finest undeveloped wheat fields in the world. The population there is at present lacking, and the immediate inducements to immigrate are also apparently lacking; but a marked advance in wheat values would probably supply both one and the other more quickly than any other scheme that could be devised; and, in the meantime, it might be borne in mind that when the appreciation comes, as come no doubt it will from time to time, it is not likely to be lasting, and that it will be those already on the spot who will be the best able to take advantage of it, the soil and the climate offering good opportunities for the successful prosecution of mixed and dairy farming during the intervals.

Yours, etc.,

SYDNEY C. D. ROPER.

OTTAWA, March 31.